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MARKET ANALYSIS - September 26, 2002

Michael Haigh-Assistant Professor University of MD Cooperative Extension

This week illustrated that it is not always the case that "the trend is your friend" when we saw the upward momentum in corn reversed and much of the gain generated over the last few months given back. The corn trade took it squarely on the chin with the funds continuing to sell futures on Monday. Things were not helped when Sparks suggested that yields would improve (extra 4 bushels an acre), suggesting a bump in production of 300 million bushels. This, quite frankly, is difficult to justify given that we are just entering harvest. After the price negativity was digested mid week, we saw stability and mixed trading. It helped that the funds stopped pressuring the market. Exports by week end were somewhat neutral and slow farmer selling and firm cash basis (nationwide and here in the Maryland region) seems to be supporting the market, despite harvest pressures. Export sales came in at 915,000 tons, within trade estimates of 900,000 – 1.1 million. Sovbean traders on the other hand had their own agenda at the start of the week. With corn futures heading south, beans headed north. Usually with such an assertive downtrend in one pit, we expect to see some spillover in neighboring pits. Not this week. So why do we see this opposite trend? Those everinfluential funds were not selling in this market. However, be prepared to see some harvest pressure in the market too as we head into October. In the short run, keep an eye on that tropical storm (and any other storm from the Gulf) influencing harvest inland. Soybean futures had a neutral reaction to a neutral weekly export sales report. This week's total was 706,000 tons, within the trade's estimated range of 600,000-800,000 tons. As we move closer to December, keep an eye on developments in the new Chinese GMO ruling. For now, watch the weather, yields and exports. They are the drivers to short term movement. Wheat traders couldn't decide whether to follow corn or beans early in the week so they bounced all over the map. Weather items seem to be friendly for spring wheat but hostile toward winter wheat. Lack of fresh fundamental news in this market is keeping the buyers away (or disinterested). The volatility is as much as 20 cents a day in the wheat pit, but bearing in mind we have had a \$2 run up in wheat futures this summer, that is not such a massive daily move (on a percentage basis). Wheat export sales were positive and supportive to price by Thursday, with the total coming in at 909,000 tons – above the 600-800,000 guess.

BASIS TABLE

LOCATION	CORN BASIS CASH (Sep02) NEW (Dec02)		SOYBEA CASH (Sep02)	AN BASIS NEW(Nov02)	WHEAT BASIS CASH(Sep02) NEW(Jul03)		
Baltimore	n/a	n/a	-\$.24	-\$.29	n/a	n/a	
Western MD	+\$.55	+\$.39	-\$.22	-\$.21	n/a	-\$.20	
Central MD	+\$.27	+\$.15	-\$.25	-\$.30	+\$.05	-\$.23	
Southern MD	+\$.25	-\$.12	-\$.15	n/a	-\$.30	-\$.25	
Upper E. Sh	+\$.30	-\$.09	-\$.15	n/a	-\$.30	-\$.05	
Lower E. Sh	+\$.37	-\$.02	-\$.05	n/a	-\$.29	+\$.06	

WEEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS

The dry weather last week allowed Maryland farmers to advance **corn harvested for grain** by 28 percent over the previous week. Corn for grain is 47 percent harvested, 24 percent ahead of both last year and the five year average. Corn condition is rated in mostly poor to very poor condition. Yields are reported to be significantly lower than last year, especially in non-irrigated fields. **Soybean** development continues ahead of normal with 74 percent **turning color**, 30 percent more than last year, and 35 percent more than the five year average. Thirty-seven percent are dropping leaves, 16 percent more than last year, and 19 percent more than the average. Harvesting activities have begun in some areas. Dry weather dominated the week with the exception of a few showers. The Eastern Shore received slightly more than one inch of precipitation in most areas last week, while Western Maryland received a half inch or less. **Topsoil** is rated 24 percent adequate, 58 percent short, and 18 percent very short. Eighteen percent of **subsoil** is rated 15 percent in adequate supply, 48 percent short, and 37 percent very short.

Grade and Commodity		#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	09/18	09/25	09/18	09/25	09/18	09/25	09/18	09/25	
Baltimore			5.45	5.35					
Western Md	3.02	3.14	5.51	5.37	3.70	3.30	1.30	1.68	
Central MD	2.87	2.86	5.45	5.34	4.17	3.96	1.50	1.50	
Southern MD	2.88	2.84	5.57	5.44	3.83	3.61	1.45		
Upper E. Sh	3.01	2.89	5.57	5.44	3.83	3.61			
Lower E. Sh	3.03	2.96	5.67	5.54	384	3.62	1.65	1.25	
Soybean Meal Low		Lower Easter	r Eastern Shore Dea		aler's Average Cash Quotes		(\$/ton)		
Date	(09/18 09/25		1	09	09/18			
48% Soybean Mea	1 2	220.00 213.00		44% So	208	3.00	201.00		

FORWARD CONTRACT	PRICE-REGI	ONAL (\$/bu) For Harvest	delivery Deal	er's Avg Quot	e		
Grade and Commodity	#2 Y Shelled Corn 09/18 09/25		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date			09/18	09/25	09/18 09/25		09/18	09/25
Baltimore			5.45	5.30				
Western Md		2.98		5.38		3.70		1.60
Central MD	2.80	2.74	5.42	5.29	3.38	3.27		
Southern MD		2.47		4.89	3.31	3.25		
Upper E Shore	2.98	2.50	5.57	4.89	3.36	3.45	1.60	1.60
Lower E Shore	3.03	2.57	5.67	5.01	3.37	3.56	1.62	1.5

GRAIN I	FUTURES - Chica	ago Board of Tra	ade (cents\$/bu) - Se	ept 25, 2002					
Corn			Sovbeans		Wheat	Soy	Soybean Meal ¹		
Dec	258.50	Nov	558.75	Dec	391.00	Oct	177.50		
Mr03	265.75	Ja03	562.25	Mr03	393.50	Dec	178.00		
May	270.00	Mar	563.25	May	374.50	Ja03	177.70		
Jul	270.75	May	561.50	Jul	349.50	Mar	177.70		
Sept	257.00	Jul	559.50	Sept	352.00	May	176.50		
Dec	247.00	Aug	552.00	Dec	361.00	Jul	175.00		

HAT AND	SINAW (5/CW	l)							
New Hollan	d, PA - \$/ton -	Sept 23, 200)2 - 75 Loads -						
Alfalfa		imothy	Mixed		Straw		chardgrass	Ear Corn	Rye (bu
160.00-170	.00 120.	00-195.00	92.00-205.0	00 8	85.00-130.00	70	.00-190.00	105.00-107.00	4.60-5.1
	r, MD - \$/bal								
Alfalfa	Timothy		hy (Lg Rd)	Mixed		SS	Grass (Lg Rd)	Straw	Oats Ha
1.50-4.00	2.40-4.0		00-27.00 Sant 28 2002	.70-3.2			16.00-25.00	1.20-2.20	1.50-1.8
FUULIKY	(Grade A) - W		Sept 28, 2002 urrent Week	nego	otiated Price, Week Ago	cents/108	Month Ago		Year Ago
NY Wtd Av	g. (Frvers)	<u>C</u>	49.55		51.08		47.42		58.87
47.30ty Com			54.83		56.69		55.55		62.08
LAMBS - W	Vestminster, M	D - \$/cwt - \$	Sept 24, 2002						
H-Ch-Pr	100-120 lbs	65 000-70	H-Ch-Pr	80-100	0 lbg 69	.00-81.00	Sheep - 2	23 Hd 20	0.00-41.00
11-011-11	120-140 lbs	53.00-61.00		60- 80		.00-81.00		23 Nu 2	0.00-41.00
				00- 80					
	MARKETS H	IOGS - Sept 2			DIRECT M.	ARKET	HOGS - Westn	ninster, MD-Se	ept 25, 2002
	Range (\$/cwt)	Carcass Ba							
	m.	Base 185 lb	Ü		_		1&2 220-26	55 lbs 27.50-29	9.59
Eastern Cori	nbelt	35.00-45.6			7 5007 -				104167
owa, Minn	T.O.O.	33.50-47.1	12.00-	20.25	Millsboro, D	E Mark	et Hogs - \$/cwt	- Next Sale 10	0/01/02
FEEDER P	IGS - (\$/cwt) -	n.			1				
	DE - Sept 23,	2002					Sept 25, 2002		
Head:	Trend:	Morrt Cal. 10	/21/02		Head : 329	T	rend: Not enou	gh back to feed	to test.
LIVE CATT	LE FUTURES -	Next Sale 10		Δ_	HOC FUTU	DEC Cr	nicago Mercantile	Fychongo	
(\$ cwt) - Se		Cincago Mer	canthe Exchang		(\$ cwt) - Se	nt 25. 20	002	L EACHAIIGE -	
Oct	69.40	Apr		3.07	Oct		38.22	Apr	50.15
Dec	71.75	Jun		3.72	Dec		38.50	May	58.60
Fb03	73.05	Aug		3.92	Feb03		44.45	Jun	60.75
	-FEEDER CA	•	•						
· · · · · · · · · · · · · · · · · · ·	VA - Sept 23,				er, MD - Sept	t 24 , 20 0		1	
Steers	300-400 lbs			eers			200-400 1		.00- 84.00
	400-500 lbs						400-600 1		.00- 82.00
	500-600 lbs			.: fa			600-800 1		.00- 68.00
	600-700 lbs 700-800 lbs			eifers			300-500 I 500-600 I		.00- 70.00 .00- 73.00
Heifers	300-400 lbs						700-800 1		.00- 73.00
11011013	400-500 lbs			ols Bulls	#1		94-120 l		.00- 00.00
	500-600 lbs			201113			85- 921		.00- 87.00
	600-700 lbs				#2		90-120 1		.00-105.00
	700-800 lbs			ols Heife	rs #1		90-100 1		.00-440.00
	800-900 lbs	63.75-66	.00 Be	ef X Bul	ls & Heifers		80-115 1	bs 80	.00-122.00
Lancaster, I	New Holland &	k Vintage - W	eek Ending -	Sept 28,	2002				
Bull, Holstei		95-125		5.00-125.		iner	95-115 1		.00- 92.00
Heifers, Hol		95-120	lbs 485	5.00-590.	.00 Pla	iner	90-120 1	lbs 250	.00-465.00
	ER CATTLE (
	er, MD - Sept	25, 2002			FaJ II.:e	wa			
Fed Steers H-Ch 2-4	1150-	-1400 lbs	64.50-65.75		Fed Heifer H-Ch Pr	r S	1175-130	0 lbs 66 0	00-67.75
L-Ch			58.00-62.00		Ch		1200-140	0 lbs 63.0	00-64.00
Ch Hols	1100-		52.00-55.00		LCh			59.0	00-61.00
Few Standard & S	Select 1400		56.00-58.75 45.00-51.00		Veal Calve Good	es	100- 12	5 lbs 45 (00-55.00
Cows	Jeieet 1400-	-1/00/108	TJ.UU-J1.UU		Juu		80- 10		00-33.00 00-42.00
Breakers			36.00-40.75					2 3.0	
Lean	-4		34.00-37.50						
Thin & Ligh			30.00-DOWN	Son+ 20 '	2002				
	New Holland &	_	_	•		C1	4 f.11 0 f0 - 0	1.10	
Steers, Choice Heifers, Cho			1140-1490 lbs 1320-1435 lbs		63.00-67.00 60.50-62.85		d fully - \$.50 - \$ light to establish		
	ters 75-80 pct le		1320-1433 108		39.75-45.00		ed \$2 higher but		ver
Bullocks, Se			955-1230 lbs		44.00-45.00	n/a	_ v= menor out	1100 04 4.00 10 W	
			1180-2185 lbs		45.25-52.50		ed w/a lower und	dertone but clos	ed higher
Bulls, YG-1			1100 2105 105		10.20 02.00	openi			

HAY AND STRAW (\$/cwt)